

Message Text

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ACTION L-01

INFO OCT-01 ARA-10 ISO-00 SS-14 H-01 SAB-01 PM-03
SP-02 INR-05 PA-01 SSO-00 INRE-00 /039 W
-----110499 042225Z /61
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FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 6394

C O N F I D E N T I A L PANAMA 2229

STADIS//////////

LIMDIS

EO 11652: GDS
TAGS: PBOR, PN
SUBJECT: PANAMANIAN REACTIONS

REFS: (A) STATE 072065 (B) STATE 076562 (C) STATE 076845
(D) STATE 081724 (E) STATE 082434

1. I FINALLY HAD A CHANCE THIS AFTERNOON TO DISCUSS
SOME PENDING MATTERS WITH THE FOREIGN MINISTER. HE
SEEMED PREOCCUPIED AND BARELY FOCUSED ON THE MATTERS
AT HAND. NONETHELESS, HIS COMMENTS AND REACTIONS ARE
CONVEYED IN THE FOLLOWING PARAS.

2. REGARDING REFTTEL A (CONCERNING THE BROOKE RESERVA-
TION AND THE MATTER OF PAYMENTS FOR SERVICES UNDER THE
TREATY), THE MINISTER SAID THIS WAS STILL UNDER ACTIVE
DISCUSSION. HE PROMISED TO GET TO ME AS SOON AS SOME
DECISION HAD BEEN MADE. I DID NOT REPEAT NOT RAISE
WITH HIM THE POSSIBILITY OF THE ALTERNATIVE LANGUAGE
FORWARDED IN STATE 083764.

3. ON THE MATTER OF OUTSTANDING DEBTS (REFTTEL B), PANAMA
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HAS ACKNOWLEDGED THAT SOME DEBTS ARE DUE AND OTHERS ARE
DISPUTED. THEY AGREE TO PAY THE FORMER AND NEGOTIATE THE
LATTER. SPECIFICALLY, THEIR PROPOSAL READS:

QUOTE WITH RESPECT TO CHARGES RELATED TO THE LEPRO-
SARIUM, WATER AND THE COLLECTION OF RUBBISH.

REQUOTE AS YOU KNOW, SOME BILLS HAVE BEEN ACCEPTED BY
THE GOVERNMENT WHILE OTHERS ARE DISPUTED.

REQUOTE WE PROPOSE THE FOLLOWING PROCEDURE:

REQUOTE (A) DEBTS TO THE UNITED STATES THAT MY GOVERNMENT HAS RECOGNIZED WILL BE PAID IN A PERIOD OF FIVE YEARS FROM ENTRY INTO FORCE OF THE TREATIES OF 1977. CORRESPONDING APPROPRIATIONS WILL BE INCLUDED IN THE NATIONAL BUDGET STARTING NEXT YEAR, AND

REQUOTE (B) CHARGES AGAINST THE REPUBLIC OF PANAMA THAT ARE IN DISPUTE WILL CONTINUE TO BE NEGOTIATED BY BOTH GOVERNMENTS TO ARRIVE AT A SATISFACTORY SOLUTION PROMPTLY. UNQUOTE.

4. REGARDING SECURITY FOR PANAMANIAN BONDS (REFTEL C), THE MINISTER GAVE ME A COPY OF THE LETTER WHICH HE SAID HAD BEEN DELIVERED TO AMBASSADOR LEWIS IN WASHINGTON, FROM FINANCE MINISTER ADAMES TO FOREIGN MINISTER GONZALEZ-REBILLA. THIS LETTER, WHICH THE AMBASSADOR WAS AUTHORIZED TO DELIVER TO THE DEPARTMENT OF STATE BY DIPLOMATIC NOTE, CITES CABINET COUNCIL RESOLUTION NO. 14 WHICH AUTHORIZED THE MINISTRY OF FINANCE, UNDER THE NEW 1977 TREATY, TO "MAINTAIN WITHOUT INTERRUPTION" GUARANTEES EXTENDED BY PANAMA IN THE BOND SALES CONTRACTS OF 1950, 1958 AND 1962. I TOLD THE MINISTER I DID NOT KNOW IF THIS WOULD MEET OUR REQUIREMENTS IN REASSURING THE BONDHOLDERS OR THEIR AGENTS, BUT I THOUGHT IT MIGHT BE INADEQUATE. HE SAID HE THOUGHT THIS WAS AS FAR AS THE GOP COULD GO.

5. RE THE SEA LEVEL CANAL OPTION (REFTEL D), THE GOP TEAM
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HAS DECIDED THAT THEIR FIRST PREFERENCE WOULD BE TO STICK WITH THE CURRENT WORDING OF ARTICLE XII. IF MODIFICATION IS REQUIRED, THEY OPT FOR THE FORMULA WORKED OUT WITH MINISTER ROYO IN WASHINGTON, AS FOLLOWS: QUOTE ON THE CONDITION THAT THE INSTRUMENTS OF RATIFICATION TO BE EXCHANGED BY THE UNITED STATES AND THE REPUBLIC OF PANAMA SHALL EACH INCLUDE PROVISIONS WHEREBY EACH PARTY SHALL AGREE TO WAIVE ITS RIGHTS AND RELEASE THE OTHER PARTY FROM ITS OBLIGATIONS UNDER PARA. 2 OF ARTICLE XII. UNQUOTE.

6. I ASKED THE MINISTER ABOUT THE STONE LETTER ONCE AGAIN (REFTEL E). HE SAID THAT THEY WERE STILL WORKING ON IT AND HOPED TO HAVE A REPLY FOR THE SENATOR LATER THIS WEEK. I EXPLAINED ONCE AGAIN WHY WE THOUGHT IT IMPORTANT.

7. ON THE CITRICOS DE CHIRIQUI CASE, THE MINISTER ARGUED THE NEXT MOVE WAS UP TO THE COMPANY. I DISABUSED HIM OF THIS NOTION, POINTING OUT THAT THE COMPANY'S LAWYERS HAD SENT A LETTER TO MINISTER BARLETTA LAST MONTH SETTING FORTH THEIR POSITION. (I KNOW THAT BARLETTA RECEIVED A TELEX FROM THE COMPANY WITH AT LEAST THE ESSENTIALS OF ITS POSITION, BUT THE ORIGINAL LETTER MAY NOT HAVE BEEN RECEIVED.) I TOLD

THE MINISTER I WOULD SEND HIM A COPY OF THE LETTER TO BAR-
LETTA THIS AFTERNOON--WHICH I HAVE DONE. I INTEND TO FOLLOW
UP WITH BARLETTA ON THIS.

8. REGARDING BOSTON PANAMA, HE SAID THEY INTEND TO INVITE
THE COMPANY'S LAWYERS TO COME TO PANAMA TO CONTINUE NEGOT-
IATIONS AS SOON AS POSSIBLE. HE THOUGHT THE LETTER HAD
BEEN SENT TO THE EMBASSY LAST WEEK. WHEN I TOLD HIM IT HAD
NOT, HE SAID HE WOULD SEND A COPY PROMPTLY. IN ANY CASE,
I THINK WE CAN REASSURE MR. HELLER THAT HE WILL BE INVITED
TO PANAMA VERY SOON.

JORDEN

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Message Attributes

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